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ON A CLASS OF VARIATIONAL PROBLEMS

By

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3 August 1955

P-714 Y^V

Approved for TS release

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Summary

✓ The problem of determining the minimum of ~~the~~ functional

$$J(y) = \int_0^T a_1(t)(y-b_1(t))^2 dt + \int_0^T a_2(t)(y'(t)-b_2(t))^2 dt + \dots$$

+ $\int_0^T a_K(t)(y^{(K-1)}(t)-b_K(t))^2 dt$, over all $y(t)$ subject to the constraints $y(0)=c_1, y'(0)=c_2, \dots, y^{(K-2)}(0)=c_{K-1}$, is treated using the functional equation technique of the theory of dynamic programming. The problem is reduced to the solution of a system of ordinary differential equations satisfying one-point boundary conditions.

The discrete case, corresponding to the minimization of a class of quadratic forms, is also treated by the same general method. A particular problem of this type arises in the treatment of the optimal inventory problem by Holt, Simon, and Medigiani.



On a Class of Variational Problems

51. Introduction

A class of mathematical problems which arise in connection with various averaging or smoothing processes in applied mathematics involve minimizing the functional

$$(1) \quad J(y) = \int_0^T a_1(t)(y(t)-b_1(t))^2 dt + \int_0^T a_2(t)(y'(t)-b_2(t))^2 dt \\ + \dots \int_0^T a_K(t)(y^{(K-1)}(t)-b_K(t))^2 dt$$

over all $y(t)$ subject to constraints of the form

$$(2) \quad y(0)=x_1, y'(0)=x_2, \dots, y^{(K-2)}(0)=x_{K-1}$$

The standard approach to this problem employing the classical variational techniques leads to a linear equation in $y(t)$ of order $2K$ with K conditions at $t=0$, given above in (2), and K additional constraints at $t=T$ derived from the variation.

For the case where $K=1$, the computational problem posed by this equation is fairly simple to resolve. For $K \geq 2$, however, the computational problem becomes difficult, since we are faced with the problem of solving systems of equations of order K , with each trial solution involving the numerical solution of linear equation of order $2K$.

To bypass this two-point boundary value problem and reduce

the problem to a one-point boundary value problem, we shall employ the functional equation approach of the theory of dynamic programming, [2]. Although in general this leads to partial differential equations, in this case the quadratic character of the functional $J(y)$ permits us to reduce the problem to a system of ordinary differential equations of simple type, whose numerical solution is readily accomplished.

After discussing the continuous case, we shall treat the discrete case, a particular example of which arises in mathematical economics in connection with some scheduling problems, see Holt, Modigliani, and Simon, [5], Arrow, Harris, and Marschak, [1], and Bellman, Glicksberg, and Gross, [4].

A further discussion of the functional equation technique with application to eigenvalue problems and other variational problems may be found in [3].

§2. The case $K=1$

It is sufficient to consider the case $K=1$, where the analytic details are simplest in order to illustrate the method. After a thorough discussion of this case, we shall briefly indicate the extension of the method to higher values of K .

We begin by imbedding the problem discussed in (1.1) for $K=1$ within the more general problem of determining the minimum of

$$(1) \quad J(y,s) = \int_s^T a_1(t)(y-b_1(t))^2 dt + \int_s^T a_2(t)(y'-b_2(t))^2 dt$$

all y subject to the constraint

$$(2) \quad y(s) = c,$$

and $0 \leq s \leq T$. We assume that all the functions that appear are continuous, and that $a_1(t) \geq 0$ for $0 \leq t \leq T$, so that we can restrict ourselves to the class of functions for which $y' \in L^2(0, T)$,

Define the function

$$(3) \quad f(c, s) = \min_y J(y, s).$$

Let us now obtain a functional equation for $f(c, s)$ which in the limit will reduce to a partial differential equation.

Write

$$(4) \quad f(c, s) = \int_s^{s+h} + \int_{s+h}^T, \quad 0 < h < T-s.$$

for an extremal $y(t)$. Choosing y' in the interval $[s, s+h]$, we see that we have a problem similar to the original with s replaced by $s+h$, and c replaced by the value of $y(t)$ at $t=s+h$. Employing what we have called the "principle of optimality", cf [2], equation (4) gives rise to the equation

$$(5) \quad f(c, s) = \min_{h[s, s+h]} \left[\int_s^{s+h} [a_1(t)(y-b_1(t))^2 + a_2(t)(y'-b_2(t))^2] dt + f(y(s+h), s+h) \right].$$

Let us now assume that the extremal curve is continuous in t and has a continuous derivative, and further that f

possesses continuous partial derivatives with respect to c and s . These results may be established by appealing to the classical theory of the calculus of variations, or, as we shall see at the end of the paper by a passage to the limit from the discrete case.

Assuming the above continuity properties, let us pass to the limit as $h \rightarrow 0$. Minimization over an interval $[s, s+h]$ reduces to minimization over values of $y'(s)$. Let us call the unknown value of $y'(s)$, v , where v is a function of c and s to be determined. Using the fact that $y(s+h) = y(s) + h y'(s) + O(h) = c + hv + C(s)$ and passing to the limit in (5) as $h \rightarrow 0$, we obtain for $f(c, s)$ the non-linear partial differential equation

$$(6) \quad 0 = \min_v [a_1(s)(c - b_1(s))^2 + a_2(s)(v - b_2(s))^2 + f_s + v f_c].$$

The minimum is assumed at

$$(7) \quad 2a_2(s)(v - b_2(s)) + f_c = 0,$$

which determines v once f has been found, and the resulting equation for f_s is

$$(8) \quad f_s = -a_1(s)(c - b_1(s))^2 + b_2 f_c - \frac{f_c^2}{4a_2(s)}.$$

The initial value for f is

$$(9) \quad f(c, T) = 0 \text{ for all } c.$$

Let us now assume that $f(c, s)$ has the form

$$(10) \quad f(c,s) = u(s) + cv(s) + c^2 w(s).$$

Equating coefficients in (8) we obtain the equations

$$(11) \quad \begin{aligned} (a) \quad u'(s) &= -a_1(s)b_1^2(s) + b_2v(s) - \frac{v^2(s)}{4a_2(s)} \\ (b) \quad v'(s) &= 2a_1(s)b_1(s) + 2b_2w(s) - \frac{v(s)w(s)}{a_2(s)} \\ (c) \quad w'(s) &= -a_1(s) - \frac{w^2(s)}{a_2(s)} \end{aligned}$$

with the initial conditions

$$(12) \quad u(T) = v(T) = w(T) = 0.$$

Since there is a unique solution to (8) in the proper function class, this system determines it.

Equation (11c) is a Riccati equation*, reducible to a second order linear differential equation, with the other functions found readily once $w(s)$ has been determined. The numerical solution of this system is quite easily obtained.

Once $f(c,s) = u(s) + cv(s) + c^2 w(s)$ has been determined, we readily determine v from equation (7). Then y is determined by the equation

$$(13) \quad \frac{dy}{dt} = v(y,t), \quad y(s) = c,$$

an equation which we can solve explicitly since

$$(14) \quad v(c,s) = - \frac{v(s) + 2cw(s)}{2a_2(s)} + b_2(s)$$

*Note that this Riccati equation is equivalent to the second order linear differential equation obtained from the Euler equation.

implies

$$(15) \quad v(y, t) = \frac{-v(t) + 2yw(t)}{2a_2(t)} + b_2(t).$$

Once the functions $v(t)$ and $w(t)$ have been determined, equation (13) may be solved explicitly for y as a function of c and t .

63. The Case $K=2$.

Let us now examine the modifications required to handle the analogous problem of minimizing the integral

$$(1) \quad J(y, s) = \int_s^T [a_1(t)(y - b_1(t))^2 + a_2(t)(y' - b_2(t))^2 + a_3(t)(y'' - b_3(t))^2] dt$$

subject to the constraints

$$(2) \quad y(s) = c_1, y'(s) = c_2.$$

Setting $y''(s) = v = v(c_1, c_2, s)$, and

$$(3) \quad \text{Min}_y J(y, s) = f(c_1, c_2, s),$$

the analogue of (2.8) is

$$(4) \quad 0 = \text{Min}_v [a_1(s)(c_1 - b_1(s))^2 + a_2(s)(c_2 - b_2(s))^2 + a_3(s)(v - b_3(s))^2 + f_s + c_2 f_{c_1} + v f_{c_2}],$$

with the initial value, $f(c_1, c_2, T) = 0$ for all c_1, c_2 .

Once again we can obtain a solution of the nonlinear

partial differential equation for f by setting f equal to a quadratic in c_1 and c_2 ,

$$(5) \quad f = u_1 c_1^2 + 2u_2 c_1 c_2 + u_3 c_2^2 + u_4 c_1 + u_5 c_2 + u_6,$$

where the u_i 's are functions of s alone. Upon equating coefficients in (4), we obtain a system of nonlinear ordinary differential equations for the u_i of the form

$$(6) \quad \frac{du_i}{ds} = f_i(u_1, u_2, u_3, u_4, u_5, u_6), \quad u_i(T) = 0,$$

which determine the u_i in the range $s \leq T$.

§4. Discrete Cases

Let us now consider some discrete analogues of the above equations. We start with the problem of minimizing the quadratic form

$$(1) \quad P_N(x) = \sum_{k=1}^N b_k (x_k - d_k)^2 + \sum_{k=1}^N e_k (x_k - x_{k-1})^2,$$

where b_k and e_k are non-negative parameters, and $x_0 = x$ a given constant.

As before, let us define the sequence of functions

$$(2) \quad f_R(x) = \min_{\substack{x_1 \\ 1=R, \dots, N}} \left[\sum_{k=R}^N [b_k (x_k - d_k)^2 + e_k (x_k - x_{k-1})^2] \right],$$

where x_{k-1} is set equal to x . We obtain, as above, the recurrence relations

$$(6) \quad g_R(x) = \min_{x_R} [\phi_R(x_R) + \gamma_R(x_R - x) + g_{R+1}(x_R)].$$

These relations permit the sequence $\{g_R(x)\}$ to be computed quickly and simply. This approach is particularly suited to problems in which the functions ϕ_k and γ_k are non-analytic, as, for example $\gamma_k(x) = [x]$ or $\text{Max}(x, 0)$.

As in the continuous case, the assumption of quadratic functions for ϕ_R and γ_R permits us to go much further and find a more explicit recurrence relation.

65. Explicit Recurrence Relation

Since

$$(1) \quad f_N(x) = \min_{x_N} [b_N(x_N - d_N)^2 + c_N(x_N - x)^2],$$

we see that $f_N(x)$ is a quadratic in x ,

$$(2) \quad f_N(x) = u_N + v_N x + w_N x^2,$$

where u_N, v_N , and w_N are readily determined explicitly as functions of b_N, c_N and d_N , and $w_N > 0$.

Turn now to the relation for $f_{N-1}(x)$.

$$(3) \quad f_{N-1}(x) = \min_{x_{N-1}} [b_{N-1}(x_{N-1} - d_{N-1})^2 + c_{N-1}(x_{N-1} - x)^2 + f_N(x_{N-1})]$$

Substituting the expression for f_N found above, we find that the minimum over x_{N-1} is attained at the point,

$$(4) \quad x_{N-1} = \frac{x e_{N-1} + d_{N-1} b_{N-1} - v_{N-1}/2}{b_{N-1} + e_{N-1} + w_N},$$

and the value of $f_{N-1}(x)$ is $u_{N-1} + v_{N-1}x + w_{N-1}x^2$ where

$$(5) \quad u_{N-1} = [b_{N-1}d_{N-1}^2 + u_N - (d_{N-1}b_{N-1} - \frac{v_N}{2})^2] / [b_{N-1} + e_{N-1} + w_N],$$

$$v_{N-1} = \frac{-2e_{N-1}(d_{N-1}b_{N-1} - v_N/2)}{b_{N-1} + e_{N-1} + w_N}$$

$$w_{N-1} = \frac{e_{N-1}(b_N + w_N)}{b_{N-1} + e_{N-1} + w_N}$$

This is a recurrence relation that connects the triple $(u_{N-1}, v_{N-1}, w_{N-1})$ with the triple (u_N, v_N, w_N) . Iterating this relation, we obtain the sequence (u_2, v_2, w_2) .

To determine x_1 , we use the relation

$$(6) \quad f_1(x_0) = \min_{x_1} [b_1(x_1 - d_1)^2 + e_1(x_1 - x)^2 + f_2(x_1)],$$

which yields

$$(7) \quad x_1 = \frac{x e_1 + d_1 b_1 - v_2/2}{b_1 + e_1 + w_2}$$

Similarly, the optimal choice of x_k is given by

$$(8) \quad x_k = \frac{x_{k-1} + d_{k-1} b_{k-1} - v_{k+1}/2}{b_k + e_k + w_k}$$

This permits the sequence x_1, x_2, \dots, x_N to be computed recurrently

starting with the value of x_1 .

56. Discrete Case—K=2.

Let us now consider briefly the problem discussed by Holt, Modigliani, and Simon in [5]. It is required to minimize the expression

$$(1) \quad \sum_{k=1}^N [a_k(x_k - b_k)^2 + e_k(x_k - x_{k-1})^2 + \delta_k(s_k - d_k)^2],$$

where

$$(2) \quad s_k = x_1 + x_2 + \dots + x_k.$$

Making a change of variable

$$(3) \quad s_k = y_k,$$

$$x_k = y_k - y_{k-1}$$

$$x_k - x_{k-1} = y_k - 2y_{k-1} + y_{k-2},$$

we have the problem of minimizing the quadratic form

$$(4) \quad \sum_{k=1}^N [a_k(y_k - y_{k-1} - b_k)^2 + e_k(y_k - y_{k-2} + y_{k-1})^2 + \delta_k(y_k - d_k)^2]$$

over all y_1, y_2, \dots, y_N , where we assume that y_0 and y_{-1} have fixed values x and z respectively. If we define

$$(5) \quad f_R(y_{R-1}, y_{R-2}) = \min_{\substack{y_i \\ i=R, \dots, N}} \left[\sum_{k=R}^N [a_k(y_k - y_{k-1} - b_k)^2 + e_k(y_k - y_{k-2} + y_{k-1})^2 + \delta_k(y_k - d_k)^2] \right],$$

we obtain the recurrence relation

$$(6) \quad f_R(y_{R-1}, y_{R-2}) = \min_{y_R} [a_R(y_R - y_{R-1} - b_R)^2 + e_R(y_R + y_{R-2} - 2y_{R-1})^2 + f_{R+1}(y_R, y_{R-1})],$$

The determination of the sequence $\{f_R\}$ proceeds as before, with the exception that $f_R(x, z)$ now has the form

$$(7) \quad f_R(x, z) = u_{1N}x^2 + 2u_{2N}xz + u_{3N}z^2 + 2u_{4N}x + 2u_{5N}z + u_{6N}.$$

§7. Stochastic Case.

The same functional equation technique suffices to handle the case where the parameters $a_1, b_1, e_1, \delta_1, d_1$ are taken to be random variables with a given joint distribution function, provided that we agree to minimize the expected value of the quadratic form.

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